



City of Cambridge

Amended Committee
Report #1A

IN CITY COUNCIL

March 17, 1997

COUNCILLOR DUEHAY

ORDERED: That the City Manager be and hereby is requested to instruct the City Solicitor to draft home rule legislation which would authorize the City of Cambridge to require a one percent transfer fee on all residential real estate at the time of sale, exempting the first \$100,000, the fee to be paid by the buyer, with all proceeds to be used solely for affordable housing.

In City Council March 17, 1997

Adopted as amended by a yea and nay vote:-

Yeas 6; Nays 3; Absent 0.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

D. Margaret Drury

ATTEST:-

D. Margaret Drury
City Clerk

RECONSIDERATION FILED BY COUNCILLOR TRIANTAFILLOU.

MOTION TO

RECONSIDER

K. TRIANTAFILLOU

#4 of Committee Report

#1 as amended.

received at meeting

3/17/97 8:55pm.

RECEIVED BY
OFFICE OF CITY CLERK
97 MAR 18 AM 8:03
CAMBRIDGE MA.

MOTION FOR RECONSIDERATION SUBMITTED BY COUNCILLOR

Triantafillou

Date

Councillor Triantafillou notified the City Clerk of her intention to move reconsideration of the vote taken on #4 of Committee Report #1 as amended regarding options for increasing funds for affordable housing in Cambridge.

Signature

Reconsideration #1

Councillor Triantafillou notified the City Clerk of her intention to move reconsideration of the vote taken on amended committee report 1A requiring a one percent transfer fee on all residential real estate at the time of sale, exempting the first \$100,000, the fee to be paid by the buyer, with all proceeds to be used solely for affordable housing.

In City Council March 24, 1997

*No Action Taken
Placed on file
Under Rule 19 of
the City Council Rules*

Committee Report #1
City of Cambridge
 Attachment #4

MASSACHUSETTS

In City Council 3-15, 1997#9 amend Position to be in Human Services

YEA	NAY	ABSENT	PRESENT	
	✓			V.M. Kathleen L. Born
	✓			Ms. Henrietta Davis
✓				Mr. Francis H. Duehay
✓				Mr. Anthony Galluccio
✓				Mr. Kenneth E. Reeves
✓				Mr. Michael A. Sullivan
✓				Mr. Timothy J. Toomey, Jr.
	✓			Ms Katherine Triantafillou
✓				Mayor Sheila T. Russell

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Committee Report City of Cambridge

1

MASSACHUSETTS

Attachment A

In City Council 3-17, 1997

4

YEA	NAY	ABSENT	PRESENT	
✓				V.M. Kathleen L. Born
✓				Ms. Henrietta Davis
✓				Mr. Francis H. Duehay
	✓			Mr. Anthony Galluccio
✓				Mr. Kenneth E. Reeves
	✓			Mr. Michael A. Sullivan
	✓			Mr. Timothy J. Toomey, Jr.
✓				Ms Katherine Triantafillou
✓				Mayor Sheila T. Russell

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Committee Report
#1

Attachment A
#4

City of Cambridge

MASSACHUSETTS

In City Council 3-17-97, 199

TT Substitute for 270 transfer pay w/ \$500,000 exemption

YEA	NAY	ABSENT	PRESENT	
	✓			V.M. Kathleen L. Born
	✓			Ms. Henrietta Davis
	✓			Mr. Francis H. Duehay
✓				Mr. Anthony Galluccio
	✓			Mr. Kenneth E. Reeves
			✓	Mr. Michael A. Sullivan
✓				Mr. Timothy J. Toomey, Jr.
	✓			Ms Katherine Triantafillou
✓				Mayor Sheila T. Russell

3 5 0 1
failed of substitute



City of Cambridge

Committee Report #1A

IN CITY COUNCIL

March 17, 1997

COUNCILLOR DUEHAY

ORDERED: That the City Manager be and hereby is requested to instruct the City Solicitor to draft home rule legislation which would authorize the City of Cambridge to require a one percent transfer fee on all residential real estate at the time of sale, the fee to be paid by the buyer, with all proceeds to be used solely for affordable housing.



City of Cambridge

Substitution Motion

IN CITY COUNCIL
March 17, 1997

COUNCILLOR TOOMEY

ORDERED: That the City Manager be and hereby is requested to instruct the City Solicitor to draft home rule legislation to authorize Cambridge to require a 2% transfer fee on all residential real estate selling for over \$500,000, the fee to be paid by the buyer, with all proceeds to be used solely for affordable housing.

In City Council March 17, 1997

Failed adoption by a yea and nay vote:-

Yeas 3; Nays 5; Absent 0; Present 1.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

D. Margaret Drury

ATTEST:-

D. Margaret Drury
City Clerk



City of Cambridge

Committee Report #1B

IN CITY COUNCIL
March 17, 1997

MAYOR RUSSELL

ORDERED: In accordance with the request of the City Council for the drafting of home rule legislation regarding a transfer tax, the City Manager be and hereby is requested to direct the Assistant City Manager for Community Development to meet with members of the real estate community to continue dialogue regarding alternatives to the transfer fee as presently proposed.

In City Council March 17, 1997

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

D. Margaret Drury
D. Margaret Drury
City Clerk



City of Cambridge

Committee Report #1C

IN CITY COUNCIL
March 17, 1997

COUNCILLOR DUEHAY

ORDERED: That the City Manager be and hereby is requested to appropriate the sum of \$2,300,000 from free cash above and beyond sums already recommended and appropriated in the current fiscal year; said sum to be used solely for affordable housing.

In City Council March 17, 1997

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

D. Margaret Drury
D. Margaret Drury
City Clerk



City of Cambridge

Original
Committee Report #1D

IN CITY COUNCIL

March 17, 1997

COUNCILLOR DUEHAY

ORDERED: That the City Manager be and hereby is requested to appropriate the sum of \$50,000 to provide legal assistance and representation to Cambridge tenants in connection with the crisis of affordable housing.



City of Cambridge

Amended Committee
Report #1D

IN CITY COUNCIL

March 17, 1997

COUNCILLOR DUEHAY

ORDERED: That the City Manager be and hereby is requested to appropriate the sum of \$50,000 to provide legal assistance and representation to Cambridge people in connection with the crisis of affordable housing.

In City Council March 17, 1997

Adopted as amended by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

A handwritten signature in cursive script, reading "D. Margaret Drury". The signature is written in dark ink and is positioned to the right of the text "A true copy;".

ATTEST:-

D. Margaret Drury
City Clerk



City of Cambridge

Committee Report #1E

IN CITY COUNCIL
March 17, 1997

COUNCILLOR DUEHAY

ORDERED: That the City Manager be and hereby is requested to appropriate funds to create the position of a Public Housing Tenant Advocate.



City of Cambridge

Amended Committee
Report #1E

IN CITY COUNCIL

March 17, 1997

COUNCILLOR DUEHAY

ORDERED: That the City Manager be and hereby is requested to appropriate funds to create the position of a Public Housing Tenant Advocate; and be it further

ORDERED: That said position shall be created in the Human Services Department.

In City Council March 17, 1997

Adopted by a yea and nay vote:-

Yeas 6; Nays 3; Absent 0.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

D. Margaret Drury

ATTEST:-

D. Margaret Drury
City Clerk

City of Cambridge

The Housing and Community Development Committee held a public meeting on February 28, 1997, beginning at 11:50 a.m. in the Sullivan Chamber for the purpose of discussing options for increasing funds for affordable housing in Cambridge.

Present at the hearing were Francis H. Duehay, Chair of the Committee, Vice Mayor Kathleen L. Born, Councillor Anthony D. Galluccio, Councillor Kenneth E. Reeves, Mayor Sheila T. Russell, Councillor Michael A. Sullivan, Councillor Katherine Triantafillou, and City Clerk D. Margaret Drury. Also present were Robert W. Healy, City Manager; Susan Schlesinger, Assistant City Manager for Community Development and Roger Herzog, Housing Director, Community Development Department.

Councillor Duehay convened the hearing and explained the purpose. He stated that the committee now has several outstanding proposals for increasing funds for affordable housing. He noted that all members of the committee were not present and suggested therefore that the committee way wish to forward all proposals to the full City Council for final action as soon as the report of this committee meeting is ready.

Councillor Sullivan stated that, as he has already indicated, he does not intend to support a transfer tax because he is concerned about its effect on moderate income people. He said that he did not like the suggestion that the City Council only send the Legislature a home rule petition if there are six votes because it puts pressure on individual members of the Council. He noted that in a meeting of the Finance Committee before this meeting, the City Manager had indicated some willingness to recommend an additional \$2.25 million for affordable housing in the FY 98 budget, to be taken from the free cash reserve.

Councillor Sullivan stated that this amount, together with the \$860,000 of in-lieu-of-tax payments with which Harvard will be credited by the City in exchange for its transfer of 100 housing units, will result in a total \$5.36 million dedicated to affordable housing in the FY 98 budget.

Councillor Galluccio stated that he does not see anything very positive about the transfer tax. It puts an inequitable burden on a certain group, the city doesn't need the money, and there would be a long wait for revenue. Free cash would bring an immediate benefit, and is a better choice for a revenue source.

Mayor Russell stated that an additional tax would be very difficult for many residents. Cambridge has done a lot for housing. She would support infusion of \$2.25 million from free cash.

Councillor Duehay said that the real estate transfer tax is used around the country and in Massachusetts for special purposes, so there is an argument for its use. Cambridge does need more money for affordable housing. A permanent income stream for housing is needed. Each year the City Council is confronted by different and competing needs. On the other hand, this transfer fee would burden one end of the city more than another.

Councillor Duehay inquired as to the interest of the Committee in requiring a 2/3 vote to send a matter to the legislature.

Councillor Galluccio said that he would like to see the City Council come to a consensus. A lot of work has gone into the issue of affordable housing in this subcommittee. He stated that he is concerned that Cambridge take credit for what it has done for housing. This city has done so much more than other communities.

Councillor Triantafillou encouraged Councillor Duehay to put all the proposals before the full City Council. She will support any of those proposals. She supports using free cash and would use \$10 million. The free cash allocation to housing should be more than \$2.3 million. She supports the transfer tax as well. Councillor Triantafillou said that she also supports making the final decisions by next Monday.

Councillor Duehay moved that the issue of allocation of free cash in the amount of \$2.3 million and Councillor Toomey's February 3, 1997 motion for a two percent transfer fee on all sales in excess of \$450,000 which was referred to the full City Council.

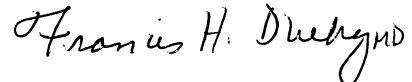
Vice Mayor Born discussed the usefulness of transfer fees and their use in other states. She stated that she feels that there is very little chance of success at the State Legislature unless the community is behind the issue. She stated that ultimately the use of free cash is actually an expenditure of property tax monies.

Councillor Reeves said that the City as a whole has gone through a trauma because it is not clear who is going to live here. A one shot \$2.3 million allocation to affordable housing is less than a drop in the bucket. Cambridge must do several things. Free cash should be used, a transfer tax should be implemented and the for-profit community should be involved in what we build. He stated that, with regard to the objection that the transfer fee burdens a small group, he would support a transfer tax that covered all sales. He noted the importance of establishing funding that is ongoing. He raised the possibility of adoption of a transfer tax for five years. Councillor Reeves said that \$20 million is not too much to invest in affordable housing. Councillor Reeves then moved that the \$20 million housing bond proposal be included in the options forwarded to the City Council.

It was agreed unanimously that all of the proposals before the committee would be forwarded to the full City Council (Attachment A)

The meeting was adjourned at 1:15 p.m.

For the Committee,

A handwritten signature in cursive script that reads "Francis H. Duehay".

Councillor Francis H. Duehay,
Chair

ATTACHMENT A

AFFORDABLE HOUSING PROPOSALS FORWARDED TO CITY COUNCIL BY HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

1. That any measure requiring state legislative and executive approval be forwarded to the Legislature only if there are at least two-thirds of the Council in favor.
2. That the City Council request the City Manager to draw up home-rule legislation which would include authorization for Cambridge to issue a \$10 million dollar bond for affordable housing, the bond repayment to be supported by a one percent transfer fee on all residential real estate at the time of sale, the fee to be paid by the buyer.
3. That the City Council request the City Manager to draw up authorization for Cambridge to issue \$20 million dollars in bonds for affordable housing.
4. That the City Council request the City Manager to draw up home-rule legislation which would authorize Cambridge to require a one percent transfer fee on all residential real estate at the time of sale, the fee to be paid by the buyer, with all proceeds to be used solely for affordable housing.
5. That the City Council request the City Manager to draw up home-rule legislation which would authorize Cambridge to require a 1.75% transfer fee on all residential real estate selling for over \$400,000, the fee to be paid by the buyer, with all proceeds to be used solely for affordable housing.
6. That the City Council request the City Manager to draw up home-rule legislation which would authorize Cambridge to require a two percent transfer fee on all residential real estate selling for over \$450,000, with all proceeds to be used solely for affordable housing.
7. That the City Manager be and hereby is requested to recommend to the City Council that the sum of \$2,300,000 be appropriated from free cash above and beyond sums already recommended and appropriated in the current fiscal year, the sum to be used solely for affordable housing.
8. That the City Manager be and hereby is requested to recommend an appropriation of \$50,000 to provide legal assistance and representation to Cambridge tenants.
9. That the City Manager be and hereby is requested to recommend an appropriation to fund the position of public housing tenant advocate or to ensure that the Cambridge Housing Authority does so.

Committee Report #1

Cal 1

A report was received from the Housing and Community Development Committee for the purpose of discussing options for increasing funds for affordable housing in Cambridge.

5-173

17

In City Council March 17, 1997

Report Accepted,
Placed on File,
5 Orders Adopted,
1 Order Failed.

Reconsideration Filed
by Councillor Triantafyllou
on amended Committee
Report #1A
Order